THE POWER OF CHINESENESS: FLEXIBLE TAIWANESE IDENTITIES AMIDST TIMES OF CHANGE IN ASIA AND SOUTH AMERICA

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ABSTRACT
In the 1970s, diplomatic links between Paraguay and Taiwan, which was in the midst of an industrial boom, facilitated Taiwanese trade and migration to Ciudad del Este, a Paraguayan city bordering Foz do Iguaçu, Brazil. In the 1980s, As China's economic reforms lowered production costs and Taiwan's factories moved to the mainland, Taiwanese migrants started trading with mainland. Such changes in the politics of value impacted the migrant community, and the Taiwanese reimagined their "Chineseness"– that is, their sense of belonging to greater China became apparent. This development was intensified by an economic crisis that occurred in the Brazil-Paraguay border region from 2003 on. Drawing on ethnographic research, I examine how identities respond to such distinctive periods of flexible accumulation. In the context marked by a transition from abundance to collapse, Chineseness constituted a mobile resource that made sense to a deterritorialized way of life, as well as a manifestation of power relations and cultural supremacy that culminated in interethnic inequality and conflict.

KEY-WORDS: Chineseness; flexible identity; Chinese diaspora, China; Brazil; Paraguay.

INTRODUCTION

In the 1970s, a large number of Taiwanese migrated to Ciudad del Este, Paraguay, which borders the Brazilian city Foz do Iguaçu. These migrants benefited from two developments: the first being that their migration was greatly incentivized by Paraguay, which was one of only a few countries that recognized Taiwan's sovereignty. Second, the Taiwanese were able to import cheap manufactured goods from their homeland, at a time when the world-system was impacted by the industrialization and subsequent growth of the so-called "Asian Tigers". These factors combined to fuel the Taiwanese migrants accumulation of legal and economic capital. This bilateral Paraguay-Taiwan trade was, however, threatened by the Popular Republic of China's (PRC) emergence in the global market. From the 1980s onwards, the expansion of the Chinese economy sent new waves through the world-system. China became "the world's factory", while also hosting Taiwanese factories in an attempt to restore relations across the Taiwan Strait. This global change in the politics of value affected Paraguay's migrant Taiwanese trade community in significant ways. As the Taiwanese production cost was affected by the emergence of cheap Chinese manufactured goods in the global market, there was a fundamental shift in the migrant's perception of their Taiwanese national identity. There was a sense of belonging not only to Taiwan, but also to greater China as well—a phenomenon that I refer to as *Chineseness*.

This paper explores the Chineseness of Taiwanese migrants insofar as the term "cannot be understood independent of the cultural reworkings brought on by capitalism's own dynamic and by the tensions between this dynamic and nation-state projects of control and regulation" (Ong and Nonini 1997, 16). In other words, the diasporic experiences of the Taiwanese migrants caused them to reinvent new belongings, feelings, and identities, as they adapted and responded to key processes such as capital accumulation, capital volatility, and national politics of value. The flexible identities of the Taiwanese were formed amidst national processes of market liberalization that were occurring in Taiwan, China, and Paraguay, and were part of a dynamic movement of multiple layers through which capital flows were quickly reorganized. In the following pages, I analyze how Chineseness, understood both as a feeling and a process, was imagined, negotiated, and endured vis-à-vis different ethnic groups under changing demographic and socioeconomic circumstances. These refer to (1) the aforementioned spatial and temporal circumstances in which the Taiwanese benefited from the "China Price" and from Taiwan's migratory legal rights, and (2) a period of instability marked by a deep economic and moral crisis that impacted the border trade in the 2000s. From 2003 onwards, Brazil endorsed an international agenda of intellectual property rights, targeting the circulatory legitimacy of certain trade circuits (Dent 2002) that affected everyday life on the border.

When viewed within the context of this period of economic volatility, Chineseness was used as symbolic capital that, when combined with economic and social capital, had a twofold effect: on the one hand, it was a way of exercising power and demonstrating ethnic superiority, which culminated in interethnic social inequality and invisible conflict. On the other, it proved a flexible and mobile resource that could be drawn upon by those whose lives were deterritorialized, and who experienced the accumulation familial projects at the edge of global changes, national interests, and local disputes.

This paper is grounded in ethnographic research that is based on a long-term project that tracked an international trade system on the China-Paraguay-Brazil route (Pinheiro-Machado 2017). As part of this larger endeavor, I carried out fieldwork between November 2005 and October 2006 on the Brazil-Paraguay border. Contact with my Chinese [1] interlocutors began in 2003 during the previous phase of the research, when I accompanied low-income Brazilian traders (*sacoleiros*) from Porto Alegre to Ciudad del Este.

During fieldwork in the border region, my goal was to focus on the mediation role of the Sino-community in the international movement of goods from China to Brazil, but I also interviewed other groups, including Brazilian and Paraguayan store employees and the Brazilian authorities in charge of border trade control. There were other significant migrant groups working on the region's trade, especially the massive presence of Muslim-Arabs (Karam 2013; Macagno 2008; Montenegro 2002; Rabossi 2007), but I have not focused on this group simply because they were not brought up in my conversations with the Chinese. They instead dealt with distinct commodity chains, networks, and regimes of value. With respect to the Chinese themselves, I carried out fieldwork with both Taiwanese people and Chinese mainlanders (though this paper focuses on the former). As I arrived on the border in a moment of crisis, the disputes between the two groups were prominent. I had better access to the Taiwanese people because the Taiwanese consulate promoted several spaces of sociability that I could use to make contacts (e.g., festivals, newspapers, associations, schools). I utilized these channels in order to cultivate networks, but my fieldwork was predominately carried out in stores. I conducted 27 in-depth interviews in order to grasp life trajectories, but the bulk of my data stems from field diaries written after my daily visits to stores in Ciudad del Este, where I followed the sales routines that were carried out. After 2006, I returned to the field site in January 2011 and in 2015, and met interlocutors in São Paulo in 2016 in order to follow up on their life readjustments post crisis.

FLEXIBLE IDENTITY AND FLEXIBLE ACCUMULATION

Over the past decades, oversea Chinese identities have been viewed through an essentialist lenses influenced by the legacy Confucian thought, which seeks to explain the "success" of Asian businesses as a result of *guanxi* (particularistic ties), collectivist ethic, familial loyalty, and trust (for critiques of this approach, see Chan [2000], Gold, Guthrie, and Wank [2000], Greenhalgh [1994], and Ong [1999]). As Greenhalgh (1994) remarked, this kind of approach draws upon Orientalist stereotypes, hides stories of failure and exploitation. A further topic examined by this paper is the anthropological scholarship on the Chinese diaspora that looks at how individuals adopt malleable identities, cosmologies, and Chineseness amidst the circulation of money and credit on a global scale, whereby local and national belongings are resituated between modern Western and Asian projects (Anderson and Lee 2005; Chu 2010; DeHart 2015; Louie 1994; Ong 1999; Ong and Nonini 1997).

Thus the flows of global capital changed the way the Chinese diaspora and Chinese identity were viewed. In order to avoid portraying the concept of "being Chinese" within static cultural backgrounds, Ong and Nonini (1997) argued that flexible capitalist

[1] [1] When I employ the term Chinese, I include both Taiwanese people and mainlanders.

accumulation transformed the Asian diasporic experience. Through displacement, migration, and trade, overseas Chinese people are fundamental players in the making of 21st century capitalism, while at the same time elaborating new, and flexible, modernities that are built built around their transnational lives and the Pacific Rim. To understand the Sino-diaspora, it is necessary to examine Chinese people's strategies of accumulation and the way this process penetrates and alters their local, national, and transnational sense of belongings. In other words, the rise of China in the global market is an outcome which indicates that "being Chinese is inseparable from far-flung capitalist processes" (Ong and Nonini 1997, 3).

As Gilroy (1993) argued in his study on black culture in the Atlantic, diasporic experiences transcend ethnicity and nationality, creating a new modernity which emerges from transcultural and transnational formations. Inspired by his analysis of these alternative modernities, Ong and Nonini (1997) describe the process through which subjects remake themselves across geopolitical and cultural landscapes, a process that transforms capitalism itself. This is more than simply viewing capitalism as becoming indigenized by cultural forms, however, as both identity and modernity converge and collide amidst specific power relations.

The scholarly literature on flexible modernities was strong at the turn of the millennium, when globalization went through a momentous phase on several levels. Much was said about the ways in which spatial mobility, the migratory process, and negotiable identity were lifted across international borders in times of intense capital flexibility and accumulation. Less is known about how these identities were fabricated in a context of crisis, capital outflow, and closing borders. I seek to understand how Chinese diasporic subjects manipulated their identities amid fluctuating politics across the Trans-Pacific-Atlantic sector given the impact of economic abundance and collapse. I show how flexibility helped people endure the Taiwanese form of Chineseness at a time when other discriminatory cultural issues were unfolding.

Following Ong (1999), my attempt to describe the concept of "being Chinese" aims to free it from the context of nationalism and the nation-state. I look at the emergence of Chineseness and how immigrants were engaged in "grand orientalist statements" by maintaining their own "self-orientalizing projects" (Ong 1999, 111) in South America—not in an a priori sense, but rather within the framework of a dynamic, living paradigm of Chinese identity. Chineseness refers here to a sentiment and self-representation of belonging to the RPC, or more precisely, to a flexible idea of China, in an attempt to navigate transnational business dealings, national projects, and local disputes. This type of identity formation is constantly negotiated through several layers of contrasts with Latin Americans and among Chinese people themselves. Such a process mobilizes diacritic features in order to reflect shifting and negotiated identities (Appadurai 1996). It is concerned with diasporic subjects who *manipulate* cultural notions such as discipline, persistence, hard work, savings, and family, which also influence perceptions of the role of China in the world system today.

The study of Chinese communities needs to be historically contingent and locally or regionally contextualized (Hu-DeHart 2005). A distinctive feature of my fieldwork is that Chineseness was elaborated by Taiwanese traders rather than the mainlanders. Brown (2003), who analyzed Taiwanese national identity formation, noted that such an identity was primarily constructed in everyday life and was not based on ancestry and ethnic similitude alone. She argued that, in spite of the PRC's effort to evoke a singular shared past across the

Strait, recent political and economic, events in Taiwan were shaping new national identities, which were unique and dislodged from mainland China. This same argument about the role of quotidian and political reworkings in the creation of new identities might be said to be functioning in reverse, such as in the case of life at the Brazil-Paraguay border where the formation of a national Taiwanese identity was ambiguous if not absent. This is not a new finding in the literature, however, as scholars had already observed a "double identity" among Taiwanese people abroad, and the Chinese side of this elaboration tends to be prominent (Huang, Liu, Chang 2004). The remarkable fact of my field site was that the Taiwanese's Chineseness was both made within and also the result of a major Taiwanese national project and its successful implications for the country's international diplomacy i.e. the ties maintained with Paraguay. Paradoxically, the sense of belonging to China was revived while immigrants enjoyed legal rights and other benefits for being national Taiwanese constituents, while Chinese mainlanders remained undocumented. This situation is very different from what occurs in most of Latin American countries with which China maintains diplomatic links: mainlanders are documented, while Taiwanese nationality is not acknowledged (DuHart 2015; Piza 2012; Silva 2014).

The key issue that sheds light on this development is that Taiwan's investment in its independence was boosted alongside the rise of China as a major global player in the world system, which consequently altered the motivations, economic networks, and cultural elaborations of the Taiwanese. By purchasing goods from mainland China and investing their profits in both the PRC and Taiwan, flexible identities accompanied flexible forms of accumulation across borders. It should be mentioned, however, that my aim is neither to infer that this was an inauthentic and pragmatic strategy to increase accumulation that responded to the changes in the flow of global and Asian capital, nor that the Taiwanese were victims whose national identities were appropriated by the Chinese colossus. I argue instead that Taiwanese people were able to draw upon their double background in order to navigate between cultural identities in a relational process that was negotiated in everyday practice.

CHANGING CONTEXTS IN THE CAPITAL FLOWS

In Harvey's (1989) analysis, flexible accumulation is perceived, broadly speaking, as a capitalistic mechanism of searches for new markets for the penetration of capital. Here I specifically refer to the process through which capital has been transferred within Asia and Latin-America, which affected migrating family projects in significant ways. For Taiwanese people, the change in the capital flows of the world system affected their Chineseness in significant ways.

During the second half of the 20th century, the world capitalist system was marked by the decentralization of production networks, especially in the sector of mass-produced consumer goods. As Gereffi (1999) suggested, Western industries went through three migratory phases, setting up factories in Asian countries that offered progressively lower production costs. The first phase of migration took place in Japan during the 1950s and 1960s. The second was in South Korea, Hong Kong, and Taiwan in the 1970s and 1980s Industrialization in Taiwan, which until then had been characterized by small and medium-sized informal, unlicensed, and unregulated factories (Shack 2000), boomed as a consequence;

cheap “Made in Taiwan” commodities spread over the world and Latin America in particular, where manufactured goods were not popularized but limited and costly (see Pinheiro-Machado 2017). Ciudad del Este, which experienced at that time the beginning of its market liberalisation, was a hub of such commodities.

Taiwan signed diplomatic agreements with Paraguay in 1957, which recognized the island as a sovereign country. These agreements primarily served to facilitate migration. At an official level, Taiwan-Paraguay relations have been described as one of the most successful cases in the recognition of Taiwan’s sovereignty. The opening of the Friendship Bridge in 1965 constituted a milestone in attracting migrant traders, since there was an open thoroughfare right at the international border. In light of this opportunity, at the peak of the Taiwanese economic takeoff immigrants ventured into the promising border region to trade cheap “Made in Taiwan” goods, which were produced under an intensive labor regime in their homeland and traded under flexible tax regulations in Paraguay. Thus, together with immigrants from other countries, one of the world’s largest free-trade zones was formed in the 1970s.

In the early 1980s, the third phase of the world system’s expansion took place in mainland China. The reforms implemented by Deng Xiaoping at the end of 1978 caused economic liberalization to be implement in certain coastal areas, which helped to restore ties with Taiwan. A mass-production model based on an intensive and flexible labor regime offered unbeatable prices to the global market. Consequently, a large amount of Chinese people migrated to Guangdong, while many Cantonese individuals emigrated from the country in order to market worldwide what their country had begun to produce in abundance. Within this context, from the 1980s onwards, many Cantonese people went to Ciudad del Este, Paraguay, and joined with the Taiwanese. In the 1990s, there were approximately 20,000 Chinese migrants—including Taiwanese people and mainlanders—within the border region. It was the peak moment of Ciudad del Este’s trade. Tens of thousands of Brazilian low-income traders used to cross the Friendship Bridge in order to acquire cheap Chinese goods, such as toys, fashion accessories, cosmetics, gadgets, and trinkets. Scholars like Mathews, Ribeiro, and Alba (2012), as well as Telles (2015) described such a transnational circuit from China to Brazil via Paraguay as “globalization from below”, meaning the processes through which traders created and redistributed small amounts of capital outside the centers of hegemonic economies.

With the rise of the People’s Republic of China, the label “Made in Taiwan” gave way to “Made in China” in South America. On a subjective level, Taiwanese people’s Chineseness was a direct consequence of such a change in the circuits of capital and politics of value. The Taiwanese, both in Taiwan and abroad, adapted to and enjoyed the benefits of the PRC’s low-cost by transferring their factories to the neighbouring Fujian Province. As Hsing (1998) has shown, this process restored not only economic relations, but also affective ties and affinities, with mainland China. The Taiwanese started importing their goods from their Taiwanese counterparts in Fujian, and China was now part of their lives on a much more profound level: in the value of commodities, in the everyday relationship with mainlanders, and in the new narrative concerning greater China.

The Chineseness of the Taiwanese people in Paraguay emerged from a context of capital inflow, though it was also later reimagined amidst a deep crisis that resulted in a

massive capital outflow from Ciudad del Este. Although it was a localised phenomenon, the crisis was influenced by great changes in the world system in the 21st century, such as those caused by the rise of emerging economies of the BRICS countries (Brazil, Russia, India, China, and South Africa). As Brazil became an emerging nation and started claiming new markets and greater prestige in the world economy, the country strongly endorsed a global agenda against piracy and smuggling that favoured the circulation of "legitimate" commodities over "illegitimate" ones (Dent 2012).

After having been placed on the 'Priority Watch List' in terms of piracy infringement by the United States Trade Representative (USTR) in 2002, the Brazilian government began investing in the repression of piracy and smuggling (see Castro and Mizukami [2003] and Pinheiro-Machado [2017]). The most immediate consequence of such an action was a halt to the passage of goods across the Brazil–Paraguay border. The United States invested heavily in surveillance of the border region due to its Muslim-Arab community, which was accused of maintaining "terrorist links with Al-Queda" (Mendel 2002). The initiative that had the greatest effect was the construction of a larger and more modern customs station, which opened on Brazil's side of the Friendship Bridge at the end of 2006. The 21st century thus witnessed the beginning of a series of operations against contraband—but also against terror—on a scale that was previously unforeseen. This policy reduced the flow of Brazilian traders crossing the border into Paraguay in search of cheap Chinese goods.

Over the course of my fieldwork, which coincided with the strengthening of the border operations, I witnessed the astonishing way that the crisis impacted on the traders' lives. This conflict-riddled setting led to a huge reordering of the Chinese community. Month by month, the traders would close and/or sell something: a warehouse, a store, a car, or their stock of commodities. They also started to activate their networks in order to migrate once again, which ultimately happened en masse. Taiwan's diasporic project was thus in a state of dramatic collapse. The shrinking of the market brought on interethnic frictions, social inequalities, and differences that were previously tolerated given the abundance of income at the time. The crisis caused a rupture in the fabric of society in which differences in class, as well ethnicity and religion, clashed with increasing vigor.

The effect of the crisis was more than just the economic turmoil caused, for instance, by fluctuations in foreign exchange rates—it was also a moral one. People had to deal with loss of profits and jobs but also the loss of their reputations, as the legal enforcement tarnished the practices of that market, constantly reinforcing its image as a 'demonic place' (Rabossi 2007). The border market has been portrayed as a lawless area by international mainstream media since its formation, serving as a symbol of terrorism, tax evasion, piracy, forgery, and drug and weapon trafficking (Rabossi 2007; Jusionyte 2015). This was not a relevant issue for the traders during times of economic abundance, yet it became a problem during the crisis when the Taiwanese started blaming the "Other" for their misfortune.

CHINESENESS IMAGINED IN LATIN AMERICA

Taiwanese interlocutors explained that the 1980s and 1990s were a "golden era" in terms of profits. The transition from "Made in Taiwan" to "Made in China" did not greatly affect the traders' routines. It instead impacted the importing firms in Ciudad del Este and their commercial partners in Taiwan, who transferred their manufacturing facilities to Fujian and Guangdong. Yet when I asked Pedro Li (27), the director of a major firm that imported goods to Paraguay, if the change had caused troubles for the community and/or their relatives in Taiwan, he said that was only a matter of time and adjustment, since they all (China and Taiwan) "belonged to the same culture". In this fashion, such approximation between island and continent was revealed to me as being beneficial to everyone. At the economic and interpersonal level, the links between the two parties began to be restored and strengthened.

In Ciudad del Este, such an approximation is slightly more complex because it occurs through several contradictory layers. Taiwanese migrants were hosted by a country friendly to Taiwan, and they enjoyed citizenship rights and engaged in several activities promoted by the consulate. At the same time, they not only witnessed their relatives, friends, and commercial partners moving to mainland China, but they themselves started importing goods from there because the prices were much lower. On a subjective level, their everyday lives were affected by such an economic change. They read and watched Taiwanese national news, but also reconnected with several communication channels that announced a new era in China in which Communism was over and prosperity would come to everyone. Out of this tension emerged a divided sense of belonging, experienced in Latin America, between Taiwan and mainland China. The approximation with the Chinese mainland was culturally and economically layered—namely, Taiwanese traders started importing from China and this helped to reinforce a narrative of Chineseness, redeeming a certain shared cultural heritage. Yet, on an everyday level, they oftentimes despised their mainland competitors as second-class people.

I came across the idea that Chineseness was a new construct when I contacted the Taiwanese association that was responsible for promoting nationalistic values for the immigrants. When I asked my friend and key interlocutor, Helenina (42), if the Taiwanese had always demonstrated their belonging to China so prominently, she said, "Not like now, I think. More or less from 1992 on, China reappeared in our [she is referring to her family] lives, because Johnny [her cousin and supplier] moved do Shenzhen. Indeed, we are very similar, we share the same culture, but the Taiwanese are *better… hmm purer Chinese*". In fact, the idea of the Taiwanese being *better Chinese* and/or *better citizens* was recurring in my fieldwork. The multiple belongings that the Taiwanese developed in Paraguay, who were documented migrants yet also Paraguayan citizens who traded with China, a country with which they shared a cultural background, worked well for many years. Chineseness was thus constructed in the sense of a dual, relational belonging to Taiwan and China. But in their narratives, the belonging to the former was usually activated to better the latter. There was a cultural and economic hierarchy though which greater China encompassed Taiwan. In other words, they saw Taiwan as a (better) region of China. The sense of belonging to Taiwan, therefore, was highly valued rather than neglected, because it manifested into a kind of moral superiority.

By lauding Chineseness, the Taiwanese were not referring to China as a fixed spatial entity, whereby "new contextual articulations of the notion of multiple homeplaces have emerged" (Anderson and Lee 2005, 15). They showed instead a flexible concept of "home" in which "imagined communities whose blurred and fluctuating boundaries are sustained by real and/or symbolic ties to some original homeland" (Ang 2001 cited in Lee 2005, 25). Thus, the sense of belonging to China recreated new modern deterritorialized spheres of being in the world, which were experienced mostly at the level of transnational family. Following Hall (1996), Chineseness can be understood not only as a way of providing imagery coherence to the experience of dispersal and fragmentation of the diaspora, but it can also be understood as an identity that transcends time and space, transforming the past and recreating the future. Therefore, Chineseness is not only about rescuing a common past, but rather collecting cultural pieces with which to build the present and the future. These are images that the PRC, with its narrative on growth, cleverly provides for the Chinese diaspora in today's world.

As previously mentioned, Chineseness, as an identitary project, emerged Ciudad del Este during a moment of economic abundance. I first noticed this issue in my preliminary fieldwork conducted in 2005. However, when I returned to the field site in 2006, during the outbreak of the crisis and closing of borders, the narrative was intensified, and an outburst of discrimination was unleashed towards both Chinese mainlanders and Latin Americans by the Taiwanese. Taiwanese interlocutors perceived that their accumulation projects were threatened, and started a moral narrative of both self-defense and accusation of the immediate 'Other'. I was often told by the Taiwanese that the crisis was caused by the dishonesty of either the South American natives or mainlanders. Self-reputation was a core issue amidst a major discourse on degeneration and forgery. Consequently, the dismantling of the border trade provoked reactions of racism and intolerance. As some of my interlocutors degraded the people they dealt with on a daily basis, they also lauded their own moral superiority, by which their Chineseness became stronger.

In the following sections, I demonstrate that the Taiwanese form of Chineseness was expressed in two ways, and was related to their *self-orientalizing projects*. First, Chineseness was associated with an aspiration for a richer China. China's robust economic growth and power awakened individual and business interests, who saw the need for forming ties with China. Second, what is derived from the interethnic contact indicated an idealized narrative about Chinese culture and behavior, in what was understood to be virtuous morality and superiority.

Taiwanization of everyday life: Taiwanese and mainlanders

Importing goods from mainland China became mandatory as Taiwan's economic growth led it towards a high-technology production model. The economic matter was unavoidable, since the PRC's domination over the market of cheap goods gave the immigrants little choice but to trade with them. Yet it was more than a purely economic choice, as many Taiwanese traders did not want to be left out of what was expected to become a world empire. They seized business opportunities as they emerged, they recreated motivations of their belonging to China and stressed the greatness of the nation.

As the Chinese government evokes the diaspora as being part of a new era of its civilization, the Taiwanese proudly acknowledged the way China's economy was becoming strong and recovering from the political, economic, and natural disasters of the past. This fact altered their Taiwanese national identity. When I asked them about the so-called 'Taiwan issue', they were nearly unanimous in rejecting Taiwan's independence. Even in Taiwanese newspapers and on television, concessions were offered by the Ciudad del Este's consulate that reproduced official Communist Party discourse on "one country, two systems". China evoked its "5000 years of civilization and wisdom" as a form of ethnic, historical, and economic capital, a grand narrative that offered distinct advantages over a nationalist Taiwan. As Brown (2003) pointed out, ancestry and culture are the ideological terms with which ethnic and national identity were claimed.

One scene that took place in Li's store was illustrative of this issue. It is fairly common for customers to come in, see the Chinese owner and decorations, and ask questions about China, especially the current period characterized by its booming market economy. On one occasion, a tourist was bargaining with Li, who was intent on making the sale. In the middle of the conversation, the man brought up the separatist issue. Li was visibly incensed by the question and repeated the following: "*One country, two politics; one Communist, the other Democratic, but we share same language, same culture, same everything*". All the while, the tourist stoked the owner's irritation by playing devil's advocate. Eventually Li lost patience, abruptly pulling the merchandise from the customer's hand and directing him towards the exit. Li opted for giving up the sale in the name of an issue that was even more significant for him: the fact that he was a national Taiwanese immigrant who opposed the separation.

The wealth and social stability enjoyed by Li and many others were derived from the bilateral cooperation between Taiwan and Paraguay, a country that recognized Taiwan's sovereignty. Yet, from the perspective of flexible identities and modernities, his political choice was not contradictory; instead, it was one of possible elaboration within a malleable cultural repertoire. Life in Paraguay actually offered to the Taiwanese what Helenita once described as "the best of the two worlds"; they navigated between national Taiwan policies and pan-Chinese articulations.

My interlocutors considered themselves to be "better Chinese" for several reasons. First, they were documented immigrants in opposition to the undocumented mainlanders. Second, they were the "established" group on the border, holding seniority, authority, and power in the community as they arrived before the others. Third, they understood that they possessed more authentic Chinese culture because Maoism and the Cultural Revolution had destroyed much of the values, religion, and legacy of Confucianism on the Chinese mainland. Once, during a class on Confucianism I attended, mainlanders were accused of being communist atheists who had a distorted Chinese culture in their hearts. Some interlocutors even praised the fact that their written language (traditional Chinese) was more complex and culturally richer than the simplified Chinese adopted in the PRC. Finally, the vast majority of the Taiwanese interlocutors were wealthy. The combination of this legal, symbolic, and economic capital was converted into power, and this power produced inequality.

My interlocutors from mainland China had arrived after the 1990s, and saw their role in the new wave of Chinese economic growth in a different way. They rarely lauded China or claimed to have an authentic Chinese background. Many of them had come from rural areas

and liked the modern version of China that had allowed their families to improve their lives. Chineseness in the form of *grand orientalist statements* simply did not make sense to these mainlanders, but it is also true that they consequently lacked a form symbolic capital in the structured and structuring power context established by the migrants in Ciudad del Este. In order to change their legal status, they had to pay fees to powerful Taiwanese groups that arranged money, documents, and housing for them.

Lily (26), my friend and interlocutor from the rural area of Guangdong, told me that her life was being *Taiwanized*. She did not have friends and strong social networks in Paraguay, so she therefore relied on many of the services offered by the Taiwanese community. She liked the temple and the festivals because she could meet Chinese people and have fun. The first event I attended with her was a celebration of the anniversary of the independence of Taiwan. Lily was a daughter of a Maoist and now enjoyed her weekly visits to the Buddhist temple. Beyond the spaces of sociability, Lily was happy with the fact that, as she puts it: "*my children learn about China via Taiwan*".

It is clear that, in Ciudad del Este, there was a reclassification of the state of things, a reordering of the status quo that interfered directly with the concept of what it means "to be Chinese", providing fertile ground for the formation of new identities and power relations between the Taiwanese and mainlanders. In sum, mainlanders were in a position of social, economic, and cultural disadvantage and dependency. For some years, especially until around 2006, such an unequal arrangement was tolerated in daily life because of the abundance of resources. Even Lily, who was in a much less advantageous position in comparison with most of the Taiwanese people, was considered to be "rich" in relation to her family in Guangdong and managed to send money to her relatives. Nevertheless, when the crisis affected the border trade, what I witnessed from my Taiwanese interlocutors was an increasing intolerance towards mainlanders and Latin Americans.

During the peak of the crisis, the Taiwanese blamed the Latinos' supposed dishonesty and lack of morality, though the situation was no better in relation to the mainlanders. The newcomers introduced a more aggressive form of market competition, bringing cheaper, poorly made goods that were often counterfeits, and forcing the Taiwanese to adapt to these practices. That is the reason why Mary Chan, for example, believed that "before the arrival of mainlanders, Ciudad del Este was a paradise", and consequently she blamed them, along with the Latinos, for the collapse of the border trade. As I mentioned before, the Chinese mainlanders were portrayed as being second-class, illegal migrants who had lost the virtue of their cultural identity through communism. The Taiwanese arrived in the region at a time when the criminalization of piracy had not yet been denounced so prominently within the international trading system. The arrival of the mainlanders coincided with the strength of the global enforcement against piracy, explaining why the Taiwanese blamed the mainlanders for the bad reputation of the products sold in the region, and to a great extent for the crisis itself.

While the Taiwanese and mainlanders actually engaged in similar entrepreneurial practices and sold similar merchandise (including some branded copies) that were imported from similar factories in Fujian by the same major Taiwanese importer group in Ciudad del Este, the former understood themselves to be more "honest" and "respectable" than the latter. The vast majority of Taiwanese identified with Buddhism, which conferred a sense of greater morality in their trade practices as they claim their religion does not allow them to trade in

pirated goods. Wan, who sold home decorative objects, stated: "*Immigrants from China are the problem. Mao Tse-tung said they could not have religion. People without religion think they can steal other people's products [referring to piracy]. Our Buddhist religion does not accept piracy."* This opinion was shared by Li, who said that piracy was only practiced by the "Communists" because Mao did not respect private property: "*I only sell genuine [products]. Pui-pui, Mickey, all genuine. But sacoleiros* (Brazilian traders) *only want cheap products. The* clandestinos *support the Brazilians' need for cheap goods*". Li added that mainlanders brought the lowest quality of copies into Ciudad del Este, thus attracting the *sacoleiros* who searched for the cheapest prices, which stimulated smuggling and corruption and thereby demoralizing the region.

The line of argument adopted in these statements follows a common feature of ethnic market competition. The point here is to highlight that, in a time of capital outflow, the difference transmutes into blame and intolerance. The collapse of the border trade provoked identity reformulations. The traders had to rethink their morality when confronted with a fresh set of questions on issues that framed their lives: Who was the criminal? Who engaged in piracy? Who encouraged corruption and bribery? The Taiwanese blamed the others' lack of virtue for their losses. Chineseness was understood and adopted not only as a manifestation of their cultural superiority but also (or even mainly) because they were facing a dramatic moment of rediasporization as a consequence of the quick capital outflow from the region. They persistently searched for new places to migrate, and talked about these possibilities all of the time. Indeed, they emigrated en mass from Ciudad del Este. In 2010, there were remaining only approximately 5,000 Chinese people in the border region.

Taiwanese and Latin-Americans

Beyond being part of China, a further aspect constituting Chineseness was that it was marked by cultural stereotypes, something that became stronger vis-à-vis Latin Americans. During my introductory conversations with the Taiwanese, they frequently brought up notions of harmony, balance, hard work, and savings. As previously discussed, I do not argue that there were Asian cultural traits that supported their forms of accumulation, but I argue rather that wealthier Taiwanese migrants manipulated certain stereotypes. This recurrence on cultural-behavior-shaped *grand orientalist statements* was a prominent feature that emerged from my fieldwork because they were affirming their symbolic capital in order to respond to the degradation of the region that was caused by the crises that came at a certain point. The fact is that I received daily "lessons" about how human actions should, above all, aim for moderation, avoiding excess and short-term pursuits.

My interlocutors usually proclaimed that a "five-thousand-year culture" was predominantly wiser than others. During the initial phases of my fieldwork, during my attempts at contacting Li (46) told me: "*Easy, girl, there's no point in trying to get to know it all today. It's like eating too much food; your belly will be full and you'll throw up because there's no more space*". For him, soda drinks were synonymous with superficiality, since thirst may be quenched by water. Clothes existed to protect the body, cars for transportation, etc. His looks indeed conveyed the image of a man extremely humble and dispossessed of material objects: shaved head, greyish clothes, and sandals. To this was added a Confucian

rhetoric on behaviour and wisdom. Once when I asked for a cup of water, he spontaneously held up a bottle and said, pointing to it: "*This is not being Chinese: you are thirsty and you have this bottle filled with water. You are going to drink it all and quench your thirst, and then forget that tomorrow you'll have nothing left to drink. Chinese drink a little bit each day*".

This type of behaviour was far from being an exception, reoccurring in many other interviews. These ideas likely came from the weekly classes that many interlocutors attended, which discussed Confucius analects. According to the teacher, Wan (62), the reading group had the purpose of teaching Chinese values in the face of too much degradation and "wrong things" that were caused by Latin Americans or mainlanders. The group was aimed at enduring culture in a context that threatened the security of their life projects.

The case of what happened with Chen (38), one of the reading group's members, is revealing about how Chineseness is manifested. When a Latin American woman broke up a conjugal relationship with him, he said that this event led him to bankruptcy because "every Chinese who marries a Paraguayan becomes poor". He then went to Taiwan in order to recover, emotionally and financially. He returned from his trip very frustrated, saying that Taiwan was too modern and had lost its culture. I asked him if Chinese culture was in fact better preserved in Ciudad del Este's Chinese community, but to my surprise, he said "no". He went on to state that: "Everybody hates each other here. Chinese values exist only in the heart, in the families". Indeed, some ideas were expressed by the majority of my interlocutors, such as (1) the homeland had become too modern, (2) the community was too competitive ("*nobody cares if you are dying*", as Mary Chan [53] told me), and (3) the family was the core place in which to exercise Chinese values.

When the border operations began and the crisis started, Mary Chan explained the moment in the following way: "Everything that is happening to us now is because Paraguayans falsify everything, they clone everything, even their mothers! They allowed it to happen". "Lazy" and "cynical" were the mildest adjectives that some Taiwanese used to classify Paraguayans, and harsher adjectives included "corrupt," "shifty," and "thieving." Racial tension, especially caused by a disjuncture on different cultural notions of time, could be perceived in the most ordinary situations. In response to what was considered degenerate in the Latinos, Chineseness always emerged as a counter example. One brief scene I observed in Li's store was revealing in this regard. I was sitting between him and an official of the Paraguayan government, who was there to collect either store licensing fees or a bribe. While the official held onto documents and receipts, Li said to me: "The Latinos and Paraguayans are stupid: they earn a little money and go fill up their gas tank on the weekend to go to the beach. They don't think of the future. (…) Latinos are bad, shifty and egotistical. They'll smile at you, say they're your friend, but later…"

By speaking these words to me, Li was using an indirect strategy in order to deliver a message to the third party. The official pretended not to hear the insults and then unexpectedly said to me, humbly: "*Take a dollar*". Surprised by his gesture, I asked why, and he asked me if I was a student. I said "yes", and then he continued: "*Well then! Students are all poor! Take the dollar, you're going to need to drink a Coca-Cola when you get tired of the city heat. And this way you're always going to remember the day when a Paraguayan helped you*". By refusing his gift and thanking him, emphasizing the kindness and solidarity

of his gesture, I was likewise responding, though not intentionally, indirectly to the aggression that Li directed at the Paraguayans. Neither of the two expressed their thoughts to each other in an open, direct manner.

The statement above gives some indication that the relationship between natives and Taiwanese had never been easy. This point is crucial, as I do not to argue that the tension was brought on by the crisis, rather it demonstrates to what extent it was a matter of degree. I have enough evidence to state that the relationship between different groups had been tense even in times of abundance, which was marked by cultural shock and deep market competition, it is also true that, during the time of increasing desperation, the mutual aggression became more frequent and violent. All of these words of rage and frustration were uttered during moments of great loss: Pedro Li confessed that he had to reduce importation orders by 60%, Li had sold two vans and one store, while Mary Chan had closed her little hardware shop. The crisis resulted in mass emigration from the border region. In approximately ten years (2003-2013), the Chinese population decreased from 20,000 to 5,000. The ones who remained in the area told me to me that their sales had dropped by up to 80%, leading many to bankruptcy.

FINAL REMARKS

The Taiwanese presence in Ciudad del Este was a migratory process that was (re)organized according to specific global circuits of capital inflow and outflow. For roughly two decades, they enjoyed the market liberalization of, respectively, Taiwan, Paraguay, and China, feeding the informal economy in Brazil. Nevertheless, in the 21st century, the Brazilian government engaged in a global discourse of intellectual property rights, which prioritized some markets,,namely those dominated by global corporations, over petty capitalism or "globalization from below", which drastically restricted border trade. Amidst this volatile scenario, this paper attempted to describe how Chineseness emerged and endured both in a time of abundance and scarcity. On the one hand, I showed that for a certain period of time, the unique conditions of Ciudad del Este allowed Taiwanese migrants to accumulate several forms of capital. A dual sense of belonging granted them legal migratory rights (or even Paraguayan citizenship) as well as the pride of being part of a greater "empire" marked by economic and cultural magnitude, daily *grand orientalist statements* enabling them to build up power over other migrant or native groups. On the other, I argued how such Chineseness was intensified and transformed into racial intolerance during the period of crisis that was not only economic (marked a drop in consumer demand) but moral as well, as the tarnished reputation of the border trade was at the core of the narrative.

Flexible identity is the process through which people negotiate multiple homeland belongings (smoothing one while enforcing another) across geopolitical arrangements and volatile politics of value. Backed by an emotional apparatus and power, Chineseness brings sense to a deterritorialized life, in which China/Taiwan is kept at heart and orientates family projects of capital accumulation. Much of the anthropological literature stressed the cosmopolitan side that backed global displaced subjects in diasporic transnational movements, though this paper addressed another side to this discourse. By advancing new trends of the 21st century, severe austerity showed that flexibility may unfold in unpredictable ways. In the

case studied, it transformed itself into a gaze of rage and suffering, marked by a politics of difference that reinforced cultural steotypes and racial frictions

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